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TITLE: PORTFOLIO MANAGEMENT
              EVALUATION

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PORTFOLIO MANAGEMENT EVALUATION

BACKGROUND

[0001] This application claims priority under 35 U.S.C. § 119(e) to provisional application number 60/498,889 by Stephan et al. and entitled Portfolio Management Evaluation, filed August 29, 2003, which is hereby incorporated by reference herein.

[0002] The present invention relates generally to portfolio management, and particularly to evaluating portfolio management through interviewing an industry expert and analyzing interview data.

[0003] As those in the art recognize, portfolio management generally refers to the management of a financial portfolio and can involve managing a portfolio of stocks, bonds, money market funds, currencies or other investments. As such, the portfolio management process applies to such diverse portfolio managers as public and private banks, asset managers, individual families and the like. The portfolio management process involves a number of steps that require regular evaluation to ensure that the process is functioning at a high performance level and as smoothly and cost effectively as possible. Often, portfolio managers rely upon consultants for assistance in identifying areas of needed improvement within the portfolio management process. Usually, a consultant has broad experience with the management process of particular types of portfolios and uses this knowledge to compare the portfolio manager's process to other related portfolio management processes. Based on the consultant's comparison between the portfolio management process being studied and other known related processes, the consultant typically identifies the weaknesses and strengths of the portfolio manager's process and recommends changes where needed to improve the process.

[0004] Traditionally, the consulting process requires several meetings with the portfolio manager in order to evaluate the portfolio management process and fully respond to the particular needs and opinions of the portfolio manager. For example, a typical consulting process begins with an initial

identification and contact with the portfolio manager. The initial identification can occur in numerous ways that are well-known to those in consulting businesses, such as word of mouth, advertising, searches and the like. Once a contact has been made with a portfolio manager who is seeking assistance from a consultant, a first meeting is setup between the consultant and the portfolio manager.

[0005] During the first meeting between the portfolio manager and the consultant, the consultant typically asks the portfolio manager a number of questions about the portfolio management process in an informal manner. During this first question and answer session, the consultant will usually record the answers to the consultant's questions in any one of a variety of ways. The questions asked by the consultant, however, are usually generated specifically for the particular portfolio manager being asked the questions. Thus, the consultant's questions generally do not match the questions that may be asked of other portfolio managers.

[0006] After the consultant has collected a sufficient number of answers to the questions posed to the portfolio manager during the first meeting, the consultant takes the gathered information back to the consultant's office to evaluate the information. Typically, the evaluation of a portfolio management process at the consultant's office requires the input of several specialists. After completing the analysis of the portfolio management process, the consultant and the specialists prepare a series of customized reports that identify the strengths and weaknesses of the analyzed portfolio management process. However, the process of analyzing the collected information and preparing reports can take a significant amount of time to complete. Usually this process takes at least several days to finish but can take as long as a week or more.

[0007] Once the reports are completed, the consultant then typically arranges a second meeting with the portfolio manager. During the second meeting, the consultant presents the reports and the consultant's evaluation of the portfolio management process to the portfolio manger. During the presentation, the consultant usually identifies to the portfolio manager the

strengths and weaknesses of the portfolio management process. In addition, the consultant may discuss with the portfolio manager possible solutions for improving the identified weaknesses. In the case where the consultant also represents a solution provider, the consultant may use this meeting to discuss specific solutions available from the solution provider. Thus, the consultant's second meeting with the portfolio manager may also serve a secondary purpose of providing an opportunity to sell additional services to the portfolio manager.

[0008]   Although the consulting process described above is widely used by consultants in the consulting business, several problems exist with this process. One problem is the lack of involvement by the portfolio manager in the evaluation process and the time delay between the first meeting (data collecting) and the second meeting (reporting). Because the portfolio manager is not involved in the evaluation and preparation of the reports, the reports that are presented during the second meeting often lack credibility. This situation is compounded by the time delay required to analyze the portfolio manager's data and prepare the reports at the consultant's office. As a result, portfolio managers sometimes perceive the consultant's reports to be artificial and generic. Moreover, when the consultant also represents a service provider, the portfolio manager may be highly skeptical of the consultant's reports, further perceiving the reports as contrived and biased towards the solutions offered by the consultant. Although those perceptions are often inaccurate and unfair to the amount of work invested by the consultant, the lack of portfolio manager involvement and the time delays make these perceptions unavoidable and all too frequent.

[0009]   Another problem that often occurs is miscommunication between the consultant and the portfolio manager. Because of the time delay between the first and second meetings with the portfolio manager, the consultant usually does not discover possible miscommunications until after the analysis is complete and the reports are presented during the second meeting. Unfortunately, sometimes the analysis and reports turn out to be unhelpful because either the consultant did not understand the portfolio manager's

answers to the questions or the portfolio manager did not understand the questions. In any event, because the reports do not accurately reflect the portfolio management process, the portfolio manager is understandably dissatisfied with the consultant's efforts. As a result, the consultant loses an opportunity with the portfolio manager or the consultant must go back to the consultant's office to re-analyze the portfolio management process and prepare new reports. If the portfolio manager gives the consultant another opportunity to correct the problems with the reports, even more time is required with more analysis, reporting and meetings with the portfolio manager. This additional, time delay makes the consulting process inefficient and less effective.

[0010] In some situations, the portfolio manager may also seemingly change his/her mind about certain questions between the first and second meeting. This problem usually does not reflect an actual change in the portfolio manager's position (although sometimes it does). Instead, this problem is more reflective of the portfolio manager's uninvolvement in the evaluation process. Oftentimes, when the portfolio manager sees the reports that have been generated based on the answers provided. The portfolio manager decides that the previously provided answers were inaccurate or inexact. Although this may appear to be an inconsistency in the portfolio manager's positions, this is a common human technique for optimizing the results of an analysis and arriving at the most accurate results. However, because of the additional time that is required to re-analyze new answers and prepare new reports, changes such as this can be time consuming and expensive.

[0011] Consultants also do not have an effective way to incorporate the level of importance that a portfolio manager attributes to particular parts of the portfolio management process. Instead, consultants usually evaluate all parts of the portfolio management process equally, regardless of the importance of each part to the portfolio manager. As a result, the reports are sometimes unresponsive to the actual needs of the portfolio manager. This problem is

compounded by the lack of involvement by the portfolio manager in the evaluation and time delays, both of which have been previously discussed.

[0012]   Another problem is the unstructured nature of the question-answer session that occurs during the first meeting referred to above. Because the questions asked by the consultant serve the singular purpose of collecting data for reporting back to the portfolio manager, the collected data has limited usefulness beyond this singular purpose. Thus, since the questions that are asked usually do not match the questions asked of other portfolio managers, it would be cumbersome and expensive to compare the collected data from different portfolio managers. Another problem is that a consultant sometimes discovers during the first question and answer meeting that the consultant does not have the qualifications for a particular specialty needed by the portfolio manager. When this occurs, the consultant typically tries to identify another consultant with the qualifications needed by the portfolio manager. However, when this occurs, the first meeting with the first consultant is usually wasted because the second consultant must start over with his/her own questions during the new first meeting.

[0013]   Because of these and other numerous problems, a better consulting process is needed for portfolio management.

BRIEF SUMMARY

[0014]   Accordingly, a method of evaluating portfolio management and a software tool are provided. The method of evaluating portfolio management involves collecting weightings of evaluation categories and responses to evaluation questions during an interview. Contemporaneously, the weightings and responses are input into the software tool. The software tool then analyzes and generates a report that may be reviewed by an industry expert during the same meeting in which the weightings and responses are collected. The weightings and responses may also be adjusted to compare different scenarios. Additional aspects of the invention are also described and claimed below.

BRIEF DESCRIPTION OF SEVERAL VIEWS OF THE DRAWINGS

[0015]   The invention is illustrated in the drawings, in which:

Figure 1 is a schematic of a computer system;

Figure 2 is a flow chart of a method for evaluating a portfolio management process;

Figure 3 is a diagram of a consultancy process, showing an interview and an analysis being conducted during the same meeting;

Figure 4 is a diagram of a consultancy process, showing a client providing weightings for categories;

Figure 5 is a diagram of a consultancy process, showing an interview path;

Figure 6 is a diagram of a consultancy process, showing an analysis path;

Figure 7 is a screen display of a computerized tool, showing a welcome sheet;

Figures 8A-8B is a screen display of the computerized tool, showing a guide sheet;

Figures 9A-9C is a screen display of the computerized tool, showing a client information sheet;

Figures 10A-10D is a screen display of the computerized tool, showing a general questions sheet;

Figures 11A-11C is a screen display of the computerized tool, showing a profile assessment sheet;

Figures 12A-12C is a screen display of the computerized tool, showing an asset allocation sheet;

Figures 13A-13C is a screen display of the computerized tool, showing an asset selection sheet;

Figures 14A-14C is a screen display of the computerized tool, showing an order generation sheet;

Figures 15A-15C is a screen display of the computerized tool, showing a reporting & monitoring sheet;

Figure 16 is a screen display of the computerized tool, showing a vertical analysis sheet;

Figure 17 is a screen display of the computerized tool, showing a horizontal analysis sheet;

Figure 18 is a screen display of the computerized tool, showing a value tree analysis sheet;

Figure 19 is a screen display of the computerized tool, showing a benchmark sheet;

Figures 20A-20D is a screen display of the computerized tool, showing an analysis sheet;

DETAILED DESCRIPTION

[0016]   With reference to Figure 1, an exemplary system for implementing the invention includes a general purpose computing device in the form of a conventional computing environment 20, including a processing unit 32, a system memory 22, and a system bus 38, that couples various system components including the system memory 22 to the processing unit 32. The processing unit 32 may perform arithmetic, logic and/or control operations by accessing system memory 22. The system memory 22 may store information and/or instructions for use in combination with processing unit 32. The system memory 22 may include volatile and non-volatile memory, such as random access memory (RAM) 24 and read only memory (ROM) 30. A basic input/output system (BIOS) containing the basic routines that helps to transfer information between elements within the personal computer 20, such as during start-up, may be stored in ROM 30. The system bus 38 may be any of several types of bus structures including a memory bus or memory controller, a peripheral bus, and a local bus using any of a variety of bus architectures.

[0017]   The personal computer 20 may further include a hard disk drive 42 for reading from and writing to a hard disk (not shown), and an external disk drive 46 for reading from or writing to a removable disk 48. The removable disk may be a magnetic disk for a magnetic disk driver or an optical disk such as a CD ROM for an optical disk drive. The hard disk drive 42 and external disk drive 46 are connected to the system bus 38 by a hard disk drive interface 40 and an external disk drive interface 44, respectively. The drives and their associated computer-readable media provide nonvolatile storage of computer readable instructions, data structures, program modules and other

data for the personal computer 20. Although the exemplary environment described herein employs a hard disk and an external disk 48, it should be appreciated by those skilled in the art that other types of computer readable media which can store data that is accessible by a computer, such as magnetic cassettes, flash memory cards, digital video disks, random access memories, read only memories, and the like, may also be used in the exemplary operating environment.

[0018]   A number of program modules may be stored on the hard disk, external disk 48, ROM 30 or RAM 22, including an operating system (not shown), one or more application programs 26, other program modules (not shown), and program data 28. The application programs may include the functionality as detailed in Figures 7-20D.

[0019]   A user may enter commands and information, as discussed below, into the personal computer 20 through input devices such as keyboard 58 and mouse 56. Other input devices (not shown) may include a microphone (or other sensors), joystick, game pad, scanner, or the like. These and other input devices may be connected to the processing unit 32 through a serial port interface 54 that is coupled to the system bus, or may be collected by other interfaces, such as a parallel port interface 50, game port or a universal serial bus (USB). Further, information may be printed using printer 52. The printer 52, and other parallel input/output devices may be connected to the processing unit 32 through parallel port interface 50. A monitor 36 or other type of display device is also connected to the system bus 38 via an interface, such as a video input/output 34. In addition to the monitor, computing environment 20 may include other peripheral output devices (not shown), such as speakers or other audible output.

[0020]   The computing environment 20 may communicate with other electronic devices such as a computer, telephone (wired or wireless), personal digital assistant, television, or the like. To communicate, the computer environment 20 may operate in a networked environment using connections to one or more electronic devices. Figure 1 depicts the computer environment networked with remote computer 68. The remote computer 48

may be another computing environment such as a server, a router, a network PC, a peer device or other common network node, and may include many or all of the elements described above relative to the computing environment 20. The logical connections depicted in Figure 1 include a local area network (LAN) 64 and a wide area network (WAN) 66. Such networking environments are commonplace in offices, enterprise-wide computer networks, intranets and the Internet.

[0021]   When used in a LAN networking environment, the computing environment 20 may be connected to the LAN 64 through a network I/O 62. When used in a WAN networking environment, the computing environment 20 may include a modem 60 or other means for establishing communications over the WAN 66. The modem 60, which may be internal or external to computing environment 20, is connected to the system bus 38 via the serial port interface 54. In a networked environment, program modules depicted relative to the computing environment 20, or portions thereof, may be stored in a remote memory storage device resident on or accessible to remote computer 68. It will be appreciated that the network connections shown are exemplary and other means of establishing a communications link between the electronic devices may be used.

[0022]   The above-described computing system is only one example of the type of computing system that may be used to implement the software tool described below. As those in the art will readily recognize, other computing systems may also be used instead of the system described above.

[0023]   Turning now to Figure 2, a flow chart of a method for evaluating a portfolio management process is shown. The method begins with an interview between a consultant and an industry expert (70). Usually, the industry expert will be a portfolio manager, but the industry expert could be any expert in a particular portfolio management industry. During the interview, the consultant collects weightings of a series of evaluation categories and responses to a series of evaluation questions (70). The consultant then inputs the weightings and responses received by the industry expert into a computerized tool designed to analyze the weightings and

responses (72). Next, the computerized tool analyzes the responses to the evaluation questions based on the weightings given to the evaluation categories (74). The computerized tool also generates a report in response to the analysis (76). The report is then reported by the consultant to the industry expert during the same interview at which the weightings and responses are collected (76). After the industry expert reviews the report, the industry expert and/or consultant can suggest that various scenarios be compared by inputting different weightings and responses into the computerized tool (78). When no more scenarios are needed, the evaluation of the portfolio management process is complete (80). At this point the consultant may either wrap up the consulting job or may proceed to discuss possible solutions with the industry expert if any weaknesses in the portfolio management process were identified in the report.

[0024]   Turning now to Figure 3, one of the advantages of the above-described method and computerized tool is the ability to complete both the interview and the analysis of a portfolio management process during the same meeting. Traditionally, the consultancy process required at least two separate meetings to complete the process one for the interview and a separate one for reporting the results of the analysis. The need for two separate meetings resulted in numerous problems that made the consulting process inefficient, costly and less than satisfactory for the portfolio manager. By contrast, the new method and computerized tool overcome many of these problems. Thus, in the new consultancy process (98), an industry expert (i.e., typically a bank or other client) is identified and contacted through traditional means (100). The consultant then arranges a meeting with the industry expert (106). During the meeting, the consultant conducts an interview of the industry expert, in which the consultant collects weightings of evaluation categories and responses to evaluation questions from the industry expert (102). The consultant then conducts an analysis of the portfolio management process with a computerized tool using the interview results and reports this analysis to the industry expert (104). By using the computerized analysis tool during the meeting, the consultant is able to conduct both the interview and the

analysis during the same meeting instead of having to conduct two separate meetings (106). After the meeting is complete, the consultant may use the findings gathered during the meeting to aggregate the findings with other similar findings to create a benchmark (108).

[0025]   Turning now to Figure 4, another advantage of the new method and computerized tool is that the industry expert is able to provide weightings for the evaluation categories before the reports are prepared. Traditionally, the consultant would collect answers to questions, during an interview and use those answers to analyze and prepare reports of the portfolio management process at the consultant's office. However, oftentimes the consultant would find out during the second meeting that the reports lacked credibility with the industry expert because the industry expert was not involved in the analysis process. Thus, the difficulty of involving the industry expert in the analysis process resulted in numerous problems, including wasted consultancy efforts, the generation of unpersuasive reports and the need for additional meetings. In the new consultancy method and computerized tool, the problems associated with not involving the industry expert in the analysis are resolved by collecting weightings of evaluation categories from the industry expert (114). The evaluation categories may be any categories that are useful in evaluating the portfolio management process. For example, in the described embodiment, weightings are collected for each of a series of value chain steps, including profile assessment, asset allocation, asset selection, order generation, and reporting & monitoring (110). Weightings are also collected for an additional set of categories, or performance attributes, that cross over the value chain steps, including automatization, scalability, and out- and insourcing (112).

[0026]   Turning now to Figure 5, a diagram of the interview path is shown. During the interview part of the meeting, the consultant will typically follow this structured interview path. The interview path starts with the consultant asking the industry expert a series of questions (120). The interview path is completed when all of the questions have been asked by the consultant and answered by the industry expert (134). The questions that are asked are

predetermined and organized into a series of value chain steps that are representative of the major activities of the portfolio management process. Thus, the value chain steps include profile assessment (124), asset allocation (126), asset selection (128), order generation (130), and reporting & monitoring (132). Within each of these value chain steps, a predetermined set of questions are asked that correspond to each of the value chain steps. Thus, a predetermined set of questions corresponding to profile assessment (125), asset allocation (127), asset selection (129), order generation (131), and reporting & monitoring (133) are asked. Thus, the structured interview path typically loops sequentially through all of the questions in each value chain step before proceeding to the next value chain step until all of the questions have been completed (122).

[0027] Turning now to Figure 6, a diagram of the analysis path is shown. The analysis path starts after the interview is complete and all of the interview questions have been completed (140). The analysis path includes separate analyses that are focused on different aspects of the portfolio management process (142). The first analysis is a vertical analysis that evaluates the performance of the portfolio management process within each of the value chain steps (144). The second analysis is a horizontal analysis that evaluates the performance of the portfolio management process in categories that cross over the value chain steps (146). The third analysis is a value tree analysis that groups the responses to the questions into categories for measurement and recommends solutions based on the results of the analysis (148). Once the analysis path is completed, the consultancy process may be completed or the consultant may discuss possible solutions with the industry expert (150).

[0028] Turning now to Figures 7-20 and particularly to Figure 7, a computerized tool is provided that may be used in the consultancy process. The tool may be embodied in a spreadsheet program but may also be embodied in other computerized forms as well. The tool begins with a welcome sheet. The welcome sheet describes the purpose of the tool as a way to identify improvement potential within the portfolio management process by comparing the current state of the process with the best practices

in the industry (160). The goals of the tool are also described (162). Thus, the bank or client (i.e., the industry expert) receives a neutral evaluation, insights into the best practices in the industry, an identification of improvement potential, and an identification of solutions to improve the process. On the other side, the consultant (i.e., Accenture in this case) gains insight into the client's portfolio management process, receives information that may be used for benchmarking, identifies potential opportunities to provide additional services, and is able to make accurate proposals to the client. The welcome sheet also provides a diagram of the structured consultancy process, which incorporates both the interview and analyses (164). Another diagram is provided that shows how the three different analyses focus on a situation from different aspects (166).

[0029]   Turning now to Figures 8A-8B, the tool also includes a guide or instruction sheet to make it easy for the consultant and the industry expert to use the tool. The guide also helps to maintain structure in the use of the tool. The guide explains that the consultant should perform some of the steps, collect certain data and fill out particular inputs in the tool before the meeting with the client (170). The guide then explains that the remaining steps may be completed during the client meeting. The first step during the client meeting is to complete the client information sheet (172). Next, the general questions sheet is completed (174). The client (i.e., the industry expert) then follows through separate sheets of questions for each of the value chain steps in a structured manner to answer the questions that will be needed for the analysis (176). Next, the tool generates three separate result sheets, or reports, that evaluate the performance of the portfolio management process (178). The results of the evaluation may then be compiled to permit the results to be benchmarked with corresponding results from meetings with other industry experts (180). An analysis sheet is also provided for analyzing the gathered data (182).

[0030]   Turning now to Figures 9A-9C, the client information sheet is shown. The first section of the client information sheet is a client section for basic background information about the industry expert and interview

information (190). This information is helpful after the meeting with the industry expert is over to allow the consultant to refer back to the results of the meeting. Throughout the tool, including the client section, inputs are shaded (or colored) to alert the consultant to each of the inputs to ensure that all needed inputs are completed. The next section is an interviewer section (e.g., Accenture) for basic information about the consultant conducting the interview and analysis (192). Again, this section allows the consultant to refer back to the results at a later time. In the next section, the industry expert provides weightings for each of the value chain steps (194). In the embodiment shown, the weightings are subjective weightings of importance to the client but other weightings are also possible. To make it easier for the industry expert to determine an appropriate weighting, the tool accepts each weighting as a rating between 1 and 5. Thus, in the embodiment shown, a rating of 1 corresponds to "not relevant," 2 corresponds to "low importance," 3 corresponds to "medium importance," 4 corresponds to "very important," and 5 corresponds to "critical." Once the weightings are entered into the shaded inputs, the tool converts the ratings into percentages. The converted percentages correspond to the ratings as follows: 1=0%, 2=25%, 3=50%, 4=75%, and 5=100%. After the weightings for each of the value chain steps are inputted, weightings for additional (i.e., "horizontal") evaluation categories are determined by the industry expert (196). The additional evaluation categories cross over the value chain steps and are rated and entered like the weightings for the value chain steps described above.

[0031]   Turning now to Figures 10A-10D, the general questions sheet is shown. The general questions sheet contains more detailed background questions about the portfolio management process being evaluated. Many of these questions do not directly relate to the value chain steps, which as described below have their own structured set of questions. One of the purposes of these questions is to enable the consultant to better understand the type of industry involved and group, or cluster, the particular portfolio management process with processes of other companies in the same industry. In addition, the general questions can be used to identify a

consultant who specializes in a particular industry that matches the expert's industry. This is especially helpful during early stage meetings with a new industry expert where the initial consultant may need to seek out a new and/or additional consultant who specializes in a particular field. The questions may

5 be answered by either the industry expert (e.g., "int") or by the consultant (e.g., "acn") depending on who is better prepared to answer the questions (200). As noted in the guide sheet and at the bottom of the general questions sheet, some of these questions may be answered before the meeting or they may be answered during the interview. As with the other sheets and sections,

10 the answers are entered in shaded inputs (202). To help organize the general questions, the questions are structured within groups. For example, the following groups of questions may be used: "How is the bank/client organized?" (204); "What products are they offering?" (206); "What is the structure of the assets?" (208); "Do you know how much each customer costs

15 you in each value chain step?" (210); "Do you know how much you earn per customer in each value chain step?" (212); "Distribution" (214); "What kind of software solutions do you have?" (216). After each group of questions, a comment area is provided to enter any general or specific comments that either the consultant or industry expert wishes to record. The general

20 questions may also be used to prepare the industry expert for the specific questions associated with each value chain step and to better analyze the responses to the value chain step questions.

[0032] Turning now to Figures 11A-11C, the profile assessment sheet is shown. The profile assessment sheet includes all of the inputs that are

25 related to the first value chain step (i.e., profile assessment). The sheet contains a series of questions that touch on various aspects of the profile assessment value chain step. The questions and inputs are structured to assist the consultant and the industry expert in easily completing all of the needed inputs. The questions are first grouped into separate statements that

30 broadly describe the type of questions within each group (220). Preferably, a word or phrase is bolded or highlighted in each statement to assist in easy cross referencing between the questions and the reports. Within each

statement, a series of primary questions are provided to which responses are required from the industry expert (222). A set of additional questions are also provided for each primary question (224). The additional questions are not intended to be directly answered. Instead, the additional questions provide context and related issues for the industry expert to consider in determining the appropriate responses to the primary questions. A comment area is also provided within each statement next to the questions so that any general or specific comments that the consultant or industry expert may have may be recorded (226). In addition, a solution area is provided in which common solutions are listed that correspond to either the entire statement or to particular questions (228). The listed solutions help the industry expert better understand the purpose of the questions and may provide the consultant with an opportunity to discuss possible solutions with the industry expert during the interview process and before conducting the analysis.

[0033] The industry expert's responses to the questions are entered into the evaluation column as ratings similar to the ratings for the weightings described above (230). Thus, as shown at the bottom of the sheet, 1 corresponds to "not considered within firm;" 2 corresponds to "client's level: low;" 3 corresponds to "client's level: medium;" 4 corresponds to "client's level: above average;" and 5 corresponds to "client's level: best practice" (264). The tool then converts the entered ratings into percentages like described above, where 1=0%, 2=25%, 3=50%, 4=75%, and 5=100%. A weighting for each of the question responses is also provided (234). These weightings are typically predetermined and are usually equally proportioned between each of the questions in the group. For example, in the case of the first statement (240), which has three primary questions, the weighting of each of the three responses is equally proportioned at 33% each, thus equaling a total 100% for the group. In order to accommodate additional flexibility and further involvement by the industry expert, the question weightings can be adjusted by the industry expert and/or consultant if desired. This option is identified by shading the weighting column with a different type of shading or coloring. If

an adjustment is desired, the predetermined weighting is typed over with the new weighting.

[0034]   The tool then calculates a weighted percentage for each question response by multiplying the converted percentages with the question weightings (236). The weighted percentages for each question response is then added together within the group to calculate a total weighted percentage for the result statement. Thus, for the first statement the total weighted percentage is 100% (241). The industry expert is also given the opportunity to change the weighting that was previously assigned to the profile assessment value chain step on the client information sheet (238). Accordingly, the previously determined category weighting is shown again in an input box in the profile assessment sheet. If the industry expert chooses to change this weighting, the previously determined weighting can be typed over to enter a new weighting. This option is useful because it is likely that the industry expert may decide to change the weighting after seeing the specific questions posed in the value chain step sheet. This option also invites additional involvement by the industry expert. To complete the entire sheet, the consultant and industry exert proceed through the sheet to respond to all of the questions. After all of the questions have been responded to, the tool calculates total weighted percentages (241, 243, 245, 247, 249, 251, 253) for each of the statements (240, 242, 244, 246, 248, 250, 252).

[0035]   At the bottom of the sheet, the data from the sheet is collected together for graphing the results. Accordingly, the first column of the collected data is the shorthand phrases that correspond to each of the statements (256). The second column of data is the total weighted percentages (258). The total weighted percentages are also averaged to calculate an averaged weighted percentage (259). The third column of data is the weight assigned to the value chain step (the assigned weight is copied to match the number of statements) (260). A questions and comments area is also provided for any general or specific comments that the consultant and/or industry expert wish to record (262).

[0036] Turning now to Figures 12A-12C, 13A-13C, 14A-14C and 15A-15C, the question sheets for the other value chain steps are shown. These sheets are substantially similar to the profile assessment sheet described above, thus further detailed textual description of each sheet is unnecessary.

Figures 12A-12C show the asset allocation sheet and the corresponding questions, responses, weightings and so forth. Figures 13A-13C show the asset selection sheet and the corresponding questions, responses, weightings and so forth. Figures 14A-14C show the order generation sheet and the corresponding questions, responses, weightings and so forth. Figures 15A-15C show the report & monitoring sheet and the corresponding questions, responses, weightings and so forth. In light of the detailed textual description already provided, those skilled in the art will readily appreciate the differences between each of the sheets from the figures alone without additional textual description.

[0037] Turning now to Figure 16, a vertical analysis sheet is shown. The vertical analysis sheet includes an analysis for each of the value chain steps. Each of the analyses are shown on the same sheet for easy comparisons. Although various analyses and graphs are possible, radar graphs as shown provide useful reports of the analyses. For example, the profile assessment graph (270) uses the shorthand statements (256) from the profile assessment sheet for the axes of the graph. The total weighted percentages for each statement are then plotted on the graph (258). The weight assigned to the profile assessment value chain step is also plotted on each axis (260). This analysis provides a convenient graphical report that enables the consultant and industry expert to quickly identify the strengths and weaknesses of the portfolio management process. Generally speaking, when the plotted weighted percentages (258) are located inside of the plotted assigned weight (260), an inconsistency is identified between the actual portfolio management process and the importance assigned by the industry expert. These inconsistencies provide an opportunity for further investigation in search of improvement potential. The analysis also includes the numerical value of the averaged weighted percentage for the value chain step (259). In order to alert

the consultant and industry expert to particular analyses, a flag is tied to the averaged weighted percentage (272). The flag may be different types of shading corresponding to predetermined ranges of percentages or may be different colors. Thus, in the example of profile assessment, the averaged

5 weighted percentage is 43% (259) which results in a flag alerting that the value chain step has high improvement potential (272). The analyses of the remaining value chain steps follow a similar format. For example, in the asset allocation report (274) the averaged weighted percentage is 59% (275) which is flagged as medium improvement potential (276). In the asset selection

10 report (278) the weighted percentage is 48% (279) which is flagged as high improvement potential (280). In the order generation report (282) the weighted percentage is 50% (283) which is flagged as medium improvement potential (284). In the reporting & monitoring report (286) the weighted percentage is 39% (287) which is flagged as high improvement potential

15 (288). By comparing the graphs with the value chain step sheets, it can be readily seen that the axes of each report correspond to the statements from the value chain step sheets.

[0038]   Turning now to Figure 17, a horizontal analysis sheet is shown. The horizontal analysis sheet includes three separate analyses that cross

20 over the value chain steps. Each of the analyses is reported as a radar graph similar to the vertical analysis reports described above. In the case of the automatization report (300), the axes are statements related to automatization that were included in the groups of questions in the value chain steps. For example, the axis and data for profile assessment (248) come from the

25 automatization statement in the profile assessment value chain step (i.e., statement no. 5). The axis and data for asset allocation (322) come from the automatization statement of the asset allocation value chain step (i.e., statement no. 4). The axis and data for asset selection (324) come from the automatization statement of the asset selection value chain step (i.e.,

30 statement no. 7). The axis and data for order generation (326) come from the automatization statement of the order generation value chain step (i.e., statement no. 6). The axis and data for reporting (328) come from the

automatization statement of the report & monitoring value chain step (i.e., statement no. 7). The analyses and reports for scalability and out- and insourcing are similarly constructed, thus further textual description is unnecessary. In order to make generation of the horizontal reports easier, the data for the graphs is gathered together on the analysis sheet as shown at Figure 20D. The horizontal reports also include averaged weighted percentages and flags like the vertical reports discussed above. Thus, in the case of the automatization report, the averaged weighted percentage is 50% (301), resulting in a flag indicating "medium improvement potential" (302). In the case of the scalability report, the averaged weighted percentage is 58% (305), resulting in a flag indicating "medium improvement potential" (306). In the case of the out- & insourcing report, the averaged weighted percentage is 25% (309), resulting in a flag indicating "high improvement potential" (310).

[0039]   Turning now to Figure 18, a value tree analysis sheet is shown. The value tree analysis provides a report that groups the statements from different value chain steps into measurement categories. For example, in the embodiment shown, the measurement categories are defined as "increase AuM" (i.e., assets under management) (350), "improve pricing" (352), "decrease costs" (354), and "improve B2B activities" (i.e., business to business) (356). In order to simplify the analysis necessary to generate the value tree report, the data is gathered together on the analysis sheet shown in Figures 20A-20C. For example, in Figures 20A-20B, one can see how different statements (402) are grouped from the value chain steps (400) to form the measurement categories. The analysis sheet also gathers the averaged weighted percentages for each of the statements from the respective value chain step sheets (404). A percentage weighting is also provided for each of the statements (406). As shown in Figures 20A-20B, the percentage weighting for each statement is preferably 100% to provide an equal averaging over all of the grouped statements, but the actual percentage weighting can be changed if so desired. The analysis sheet sums the averaged weighted percentages (404) and the percentage weightings (406) to calculate a total (408). The total averaged weighted percentage is then

divided by the total percentage weighting to calculate the realized potential (410). Next, the realized potential is subtracted from 100%, thereby providing both the realized potential and the unrealized potential (360). Thus, for the measurement category "increase AuM", the realized potential is calculated to be 52% and the unrealized potential is calculated to be 48% (360). These potentials are then reported as a pie chart on the value tree analysis sheet shown in Figure 18. Similarly, the realized and unrealized potentials for the measurement category "improve pricing" (352) are calculated and reported to be 31% and 69%, respectively (362). The realized and unrealized potentials for the measurement category "decrease cost" (354) are calculated and reported to be 48% and 52%, respectively (364). The realized and unrealized potentials for the measurement category "improve B2B activities" (356) are calculated and reported to be 25% and 75%, respectively (366).

[0040] A textual flag is also provided for each pie chart based on calculated effectivity results. The effectivity results are calculated on the analysis sheet as shown in Figure 20C. In the case of the measurement category "increase AuM," three different effectivity results are calculated to reflect different aspects of the category. For example, the first effectivity result is calculated as an average of the statements "customer interests," "comprehensive reporting," "customer reporting," "compliance monitoring," and "performance monitoring" from the category "increase AuM" (see Figure 20A). The first effectivity result is thus 60% (420). The second effectivity result is calculated as an average of the statements "risk/return profile, preferences and constraints," "life cycle events," "capital value insights," "performance data used for reassessment," and "client profile taken into account" from the category "increase AuM." The second effectivity result is thus 48% (422). The third effectivity result is calculated as an average of the statements "customer profile used for AA," "above average performance," "high research quality," and "risk management (diversification)" from the category "increase AuM." The third effectivity result is thus 46% (424). Because the measurement category "increase AuM" includes three different effectivity results, the three effectivity results are averaged to calculate a total

effectivity result (426). Therefore, the textual flag for "increase AuM" (361) is based on the total effectivity result (426). In the case of the other measurement categories, the effectivity results are not subdivided and the previously calculated realized potentials are used directly as the effectivity results (428, 430, 432). Accordingly, for the measurement category "increase AuM" the flag indicates medium (361); for the measurement category "improve pricing" the flag indicates high (363); for the measurement category "decrease cost" the flag indicates high (365); and for the measurement category "improve B2B activities" the flag indicates high (367).

[0041]   The effectivity results shown in Figure 20C are also used as the basis for the lists of key drivers and solutions on the value tree analysis report shown in Figure 18. Thus, in the case of the list of key drivers, each of the effectivity results (420, 422, 424, 428, 430, 432) are compared to a minimum (434) and maximum (436) range to determine which descriptive key driver to list (370, 372, 374, 376, 378, 380). In the case of the list of solutions, if the effectivity results (426, 428, 430, 432) are less than 75%, then all of the solutions are listed (382, 384, 386, 388).

[0042]   Turning to Figure 19, the benchmark sheet is shown. The benchmark sheet provides a convenient location to collect all of the relevant results from the interview and analysis. This data may then be copied from the worksheet after the meeting with the industry expert to a central storage location for comparison with similar results from meetings with other industry experts using the same tool and consultancy process. Comprehensive benchmarks may then be developed by collecting data in a consistent structure from many companies and/or industry experts.

[0043]   Turning to Figures 20A-20D, the analysis sheet is shown. The analysis sheet is used to gather most of the analysis calculations together in one convenient location. Since the consultant and the industry expert will be mostly interested in the generated reports, there will usually be no need for viewing the analysis sheet. Since the details of the analysis sheet have been thoroughly described above, further textual description is unnecessary.

[0044] While a preferred embodiment of the invention has been described, it should be understood that the invention is not so limited, and modifications may be made without departing from the invention. The scope of the invention is defined by the appended claims, and all devices that come within the meaning of the claims, either literally or by equivalence, are intended to be embraced therein.

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